

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

## MEMORANDUM

TO: North Attleboro Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 8, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

P:\actuarial\APPROP\Approp21\north attleboro approval.docx

Enc.



## Section 2: Actuarial Valuation Results

### Funding schedule

(1) Fiscal year ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Liability	(4) Actuarially Determined Contribution (ADC): (2) + (3)	(5) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in ADC Over Prior Year
2021	\$451,667	\$3,718,843	\$4,170,510	\$47,647,165	--
2022	469,534	3,934,525	4,404,059	47,113,125	5.60%
2023	488,072	4,162,614	4,650,686	46,309,049	5.60%
2024	507,307	4,403,817	4,911,124	45,202,052	5.60%
2025	527,264	4,658,883	5,186,147	43,756,107	5.60%
2026	547,969	4,928,602	5,476,571	41,931,773	5.60%
2027	569,450	5,213,809	5,783,259	39,685,901	5.60%
2028	591,734	5,515,388	6,107,122	36,971,319	5.60%
2029	614,850	5,834,271	6,449,121	33,736,486	5.60%
2030	638,830	6,171,442	6,810,272	29,925,126	5.60%
2031	663,703	6,527,944	7,191,647	25,475,826	5.60%
2032	689,502	6,904,877	7,594,379	20,321,603	5.60%
2033	716,261	7,303,403	8,019,664	14,389,439	5.60%
2034	744,015	7,599,774	8,343,789	7,599,774	4.04%
2035	772,799	0	772,799	0	-90.74%

#### Notes:

Fiscal 2021 Actuarially Determined Contribution set to budgeted amount.

Actuarially Determined Contributions are assumed to be paid on July 1.

Item (2) reflects 3.0% growth in payroll, plus an additional 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to generational mortality assumption.

Projected normal cost does not reflect the impact of pension reform for future hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains.

### Department Breakouts of Actuarially Determined Contribution:

Fiscal Year Ended June 30	Town (including School)	Housing	Electric	Landfill	Water	Sewer	Total
2021 <sup>1</sup>	\$3,283,025	\$57,136	\$488,784	\$42,122	\$131,788	\$167,655	\$4,170,510
2022	3,437,809	69,584	554,911	45,362	121,552	174,841	4,404,059
2023	3,630,326	73,481	585,986	47,902	128,359	184,632	4,650,686

<sup>1</sup> Allocated based on the department's percentage of the total payroll.

<sup>2</sup> As provided in the prior valuation report.